IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

(Special Original Jurisdiction)

MONDAY, THE TWENTIETH DAY OF SEPTEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE MS JUSTICE G.ROHINI

WRIT PETITION NO : 13649 of 2004

Between:

V.Praveen, S/o.Madhava Rao,
R/o.Sai Baba Temple Street, H.No.12-7-, Mathira Post, Khammam Dist.

..... PETITIONER

AND

1 The District Manager, A.P.Civil supplies Corporation, Vijayawada, Krishna Dist.
2 The Joint Collector, Ex-officio, Executive Director, Krishna Dist.

.....RESPONDENTS

Petition under Article 226 of the constitution of India praying that in the circumstances stated in the Affidavit filed herein the High Court will be pleased to issue, preferably a writ in the nature of mandamus or any appropriate writ declaring the proceedings Lr.No.PDS/Movt.Stage-11/5(1)/2004, dt.27-07-2004 issued by respondent No.1 as illegal, arbitrary, unconstitutional and against the principles of natural justice.

Counsel for the Petitioner: MR.A.RAJASEKHAR REDDY

Counsel for the Respondents: GP FOR CIVIL SUPPLIES

The Court made the following :

THE HONOURABLE MS.JUSTICE G.ROHINI

WRIT PETITION NO.13649 OF 2004

ORDER:

The petitioner was appointed as a transport contractor by the first respondent-Corporation for the purpose of transportation of rice and sugar from Kaikaluru Mandal Level Stock godowns to various fair price shops. In pursuance thereof, the petitioner has entered into an agreement with the 1st respondent Corporation agreeing to perform the duties described as per the terms and conditions of the agreement. The period of contract is from 1.8.2003 to 31.7.2005. While so, the first respondent-Corporation issued a notice dated 29.6.2004 calling upon the petitioner to show-cause as to why his contract shall not be terminated for violation of the conditions of agreement. In the said show cause notice, it was alleged that the petitioner has failed to hand over the levy Sugar to the Fair Price Shop dealers and that he claimed fake bills and encashed the same from the Corporation office. The petitioner states that in response to the same he submitted an explanation. Thereafter an order has been passed by the first respondent-Corporation on 27.7.2004 stating that in view of the involvement of the petitioner in diversion of levy

sugar and claiming SGRY bills for which Stage II transportation was not undertaken, his transport contract is terminated with immediate effect and the security deposit, bank guarantee and pending bills have been forfeited besides blacklisting from the future tendering of the Corporation. The said order is under challenge in this writ petition.

I have heard the learned counsel for the petitioner and the learned counsel appearing for the respondents. The learned counsel for the petitioner vehemently contended that all the allegations made against the petitioner are false and baseless and at any rate since he has already made good the quantity of Sugar alleged to be not supplied, the impugned order is not warranted. It is also contended that the impugned order is arbitrary and illegal and in violation of the principles of natural justice since no opportunity was afforded to the petitioner to rebut some of the allegations on the basis of which the impugned order was passed and particularly since there was no prior notice so far as blacklisting is concerned.

At the outset, it is to be noted that the impugned order was passed in terms of Clause 8-A of the Agreement between the parties which provides for termination of the contract under the circumstances specified thereunder. Thus it is clear that the issue raised with regard to termination of contract is essentially founded on a dispute between the parties pursuant to a contract entered in between them. The law is well settled that such a dispute, which involves enforcement of contractual obligations, is not amenable to writ jurisdiction.

However, so far as the blacklisting of the petitioner is concerned, nothing is placed before this Court to show that the same is covered by the agreement entered between the parties. Admittedly, the petitioner was not put on notice before resorting to the extreme step of black-listing which undoubtedly involves civil consequences. Hence, as rightly contended by the learned Counsel for the petitioner, the action of the respondents in black-listing the petitioner from participating in the Tenders of the Corporation in future, being in violation of the principles of natural justice, cannot be sustained. Accordingly the impugned order to the extent of black-listing the petitioner is hereby set aside leaving it open to the respondents to initiate appropriate proceedings in accordance with law.

So far as termination of contract is concerned, as expressed above, the petitioner cannot be granted any relief in exercise of jurisdiction under Article 226 of

the Constitution of India.

Accordingly, the Writ Petition is disposed of granting leave and liberty to the petitioner to work out the appropriate remedy as available under law so far as termination of contract is concerned. No order as to costs.

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(G.ROHINI,J)

Date: 20.9.2004.

Note:

Issue C.C.in one week.

B/o

Mdaa.

Copy to:

1 The District Manager, A.P.Civil supplies Corporation, Vijayawada, Krishna Dist.
2 The Joint Collector, Ex-officio, Executive Director, Krishna Dist.

3. Two C.Cs to G.P. for Civil Supplies, High Court of A.P., Hyderabad (OUT)

4. Two C.D.copies.